MINUTES CHICOPEE MOBILEHOME RENT CONTROL BOARD OCTOBER 19, 2009, @ 6:00 P.M.



MEMBERS PRESENT

Robert Hopkins, Sharyn Riley, Ronald Lafond

ALSO PRESENT

Kevin Corridan, Attorney for the Board

OLD BUSINESS

Robert Hopkins: We will table minutes of September 21, 2009. First order of business is S&M Bluebird, Inc. Marc Dugre came forward to have an initial meeting to propose a rent increase. We are in receipt of the rent increase proposal on S&M Bluebird, which we will take first as an order of business and having received it. Board, shall we accept it as being officially received?

Board: Yes.

Robert Hopkins: Mr. Durgre, the tenants have been notified and given a copy of the proposal?

Mr. Dugre: Yes they have.

Robert Hopkins: Alright, under penalty and perjury then we have from representative, S&M, Bluebird, the tenants have all received a copy of the rent increase proposal. This is the initial meeting whereby the parks present their increase proposal and we are in receipt of it, have you had an opportunity to read it Board?

Board: Yes.

Robert Hopkins: The total rent increase proposal, as summarized, in the front of this is for a rent increase of per lot per month is \$7.00 per month and the actual cost has been delineated into four items for consideration. First being the real estate tax for the City of Chicopee for the cost increase of \$2,659.00. There is a line item for an increase in the health insurance for the employees of \$1,046.00, there is an increase for vehicle, gas and oil of \$2,843.00 and equipment rental cost of \$7,822.00 increase. The total cost increases being deliberated as evidence for consideration is a total of \$14,370.00, or \$84.00 per lot divided by 12 is \$7.00 per lot. Do you have anything to add Mr. Dugre besides the evidence you have presented to us for our consideration?

Marc Dugre: Just a few comments. This (inaudible) as you state it's based on those four items. We are trying to simplify this. (Inaudible). The last increase was effective

March 1, 2008 and that was based on cost in 2007... We ask that the Board in making their decision, we would ask that if there's any restriction regarding the time to come forward for future increases that we would (inaudible).

Robert Hopkins: Thank you Mr. Dugre. Any comments from the owners of the park that you want to add?

Robert Hopkins: We have an agenda item tonight to modify the Procedural Rules that we will be bring under discussion under new business. We will try to eliminate one meeting for anyone who wants to come before the Board, tenant or park owner, because right now by advice of counsel if was felt that the request for the initial meeting has to be done in an open meeting. We are going to amend that, hopefully by action of the Board tonight to eliminate one month. When it comes in to the Law Department, that will start the clock and we can arrange to have the initial meeting after receipt of a request by the tenant or park owner. That's our hope.

Marc Grochmal: So you'll have three meetings basically?

Robert Hopkins: Correct, or whatever the Board decides with advice of counsel.

Marc Grochmal: That makes sense.

Robert Hopkins: Nothing further from S&M Bluebird Inc.? I would ask that if any tenant from S&M Bluebird would like to make a comment.

Tenant: I heard the statements. Does that mean we're going to be here next year?

Robert Hopkins: Well, that depends. If they want an increase in rent then the way the state law is operated that the City of Chicopee adopted was with rent control they cannot make an increase nor decrease without coming before this Board.

Tenant: Inaudible.

Robert Hopkins: We have the ability as a Board to prohibit them from coming back for two years but again, it's the decision of the Board. I think Mr. Dugre makes a good point that five years makes for a very large increase.

I believe the next thing we have to do Board is to set a date for the tenants to respond. Would that be thirty (30) days from now? Am I correct?

Kevin Corridan: That depends. You have thirty (30) days to get your package out, which they have done. So if you want to shorten the time period, waive your thirty (30) days, set a sixty (60) day date tonight that the tenants can respond by, because normally they would have to wait for the thirty (30) days to go by.

Robert Hopkins: Is it an additional thirty (30) to respond, or I thought it was thirty (30) from tonight to respond? So that our November meeting they would respond to the proposal which they have received.

Stanley Grochmal: Right, we got that out the 25th of September.

Kevin Corridan: Right, they still get sixty (60) days though, at your discretion. So if there's a representative from the tenants, let's say they already have somebody lined up, for instance, to represent them then you might be open to shorten that time period to resolve this more quickly, otherwise, I recommend, if there's no comment, to give them a sixty (60) day date to respond by.

Robert Hopkins: Okay, sixty (60) days from the hearing itself:

Kevin Corridan: No, because the hearing has to be under the rules thirty (30) days beyond that date.

Robert Hopkins: So this is the actual initial meeting, that's the problem.

Kevin Corridan: Right, so you have sixty (60) days from the initial meeting, under the rules, that you're working with. At your discretion you can shorten that if you feel it's appropriate.

Robert Hopkins: I think with a \$7.00 increase bases on this it would be appropriate, I don't hear any large opposition, I didn't have any phone calls. I think the shorter the better. So the time which the tenants have to respond would be sixty (60) days from tonight, right counselor?

Kevin Corridan: It could be up to sixty (60) days from tonight.

Robert Hopkins: Could it be less than sixty (60) days?

Kevin Corridan: At your discretion, yes. I don't recommend being less than sixty (60) days.

Robert Hopkins: Okay.

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Kevin Corridan: The rules also state that the hearing doesn't take place until thirty (30) days after that date.

Robert Hopkins: That will put us into January. I don't know where these rules came from but we've inherited them.

Marc Dugre: The meeting we had last month, you can't count that as an initial meeting.

Robert Hopkins: No we can't, according to the rules the request for the initial meeting ahs to take place at a Board meeting, that was last months. Even if you were good to go, all your materials were in, the process we are encumbered with demands this.

Kevin Corridan: The important thing to point out is that the tenants need their sixty (60) days or some period of time to respond. That's the important notice requirement that the Board's obligated to go by.

Robert Hopkins: Okay, so officially we've received S&M's evidence is in, the tenants have sixty (60) days to respond to this under the law which would make it roughly December 14th or the 21st?

Kevin Corridan: No, it doesn't have to be a meeting.

Robert Hopkins: It doesn't have to be a meeting?

Kevin Corridan: No, that's just the timeline that they respond by. The next meeting is the actual hearing that occurs ninety (90) days from now.

Robert Hopkins: Okay, we can't make that meeting in 2009, we have to go into January then, correct?

Kevin Corridan: Yes.

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Robert Hopkins: The 18th is a holiday, we can do it on the 11th and shorten it by one week. January 11, 2010. That will be the day for the hearing, correct? The hearing date will be January 11, 2010. If the tenants wish to respond, we will have another meeting in which to respond. We can allow rebuttal testimony at that point. If the tenants don't respond by December 19th, then we will go ahead and have the hearing on the 11th.

Stanley Grochmal: But if we have tenants respond?

Robert Hopkins: Then we have to have a meeting to listen to them.

Kevin Corridan: I don't think a meeting is required for a response. The hearing is the date that everyone makes their case. The tenants prepare in sixty (60) days, they have thirty (30) days to get squared away, the hearings held and then the tenants and the owners both have an opportunity to be heard at that meeting.

Robert Hopkins: A decision will most likely be made that evening unless we have reason to postpone stuff.

Marc Dugre: Does someone need to contact the tenants either in writing or tell them what you just stated?

Robert Hopkins: Notices went out with your proposal as to this meeting and the meetings are posted.

Okay, next agenda item is the Westover Trailer Park. Tonight is the initial meeting for Westover as well. Just to reiterate the request by Westover Trailer Park, Inc. is bases on increase of cost in the area of three items, the first being the real estate tax to the City of Chicopee increase of \$3,365.00, water and sewer fees increase of \$17,422.00 and the trash disposal fee is adjusted downward, the total increase cost for our consideration tonight is \$19,242.00, increase per lot is \$247.00 per lot when divided by 78 lots; increase per lot per month \$247.00 divided by 12 comes out to roughly \$20.00. So it's \$20.00 per month per lot is the increase based upon real estate tax from the City of Chicopee, water & sewer fee calculation schedule and actual trash disposal bills. So we are officially in receipt of their request. Should we move to accept this as the evidence from Westover Trailer Park?

Ronald Lafond: I make a motion.

Sharyn Riley: I second the motion. *Motion passed unanimously*.

Robert Hopkins: Mr. Dugre, do you want to speak regarding the information contained in this proposal?

Marc Dugre: Makes his presentation... Sure. We request a \$20.00 increase. This increase is exactly the same as the last increase back in October of 2007. We had come before the Board back in September 2006. The Board did not have a full Board and could not meet. We had to wait one year, so even though it's been basically two years of the last increase, it's really been three years based on 2006 numbers. What I would like to do is try to emphasize to what we feel is the fairness of this Board. The water rates in Chicopee have risen dramatically since we were here. Since the last rent increase the park has spent over \$40,000 for a new sewer line and a pumping station. That is not bases in this presentation, we are basing our presentation just on the three items, but in order to pay for that (inaudible).

Robert Hopkins: Tenants have any comments on the proposal that was mailed to you? Just questions, we are not taking any evidence, you have sixty (60) days to come up with a response.

Board, any other questions for Mr. Dugre or Mr. Mathieu?

Board: No.

Robert Hopkins: Okay, this concludes the evidence presentation for Westover Trailer Park. Likewise, because you have the same CPA, we'll likewise schedule the hearing for January 11, 2010, if that's agreeable with the Board. January 11th will be the hearing. If the tenants wish to respond with evidence to counter the proposal, please do so in writing to the Mobilehome Rent Control Board, c/o the Law Department at the City Hall and we

will accept that evidence. That gives you sixty (60) days to come together and present evidence.

Next order of business we have is under new business. We will hold off on our agenda item to consider the rules because Ms. Stemm is here representing two parks tonight. We are in receipt of a letter from Mobilehome Parks, Inc. regarding two mobilehome parks; Gill Mobilehome Park and Knollwood Estates. This is a request for an initial meeting for the upward adjustment of rent for Gill Mobilehome Park and Knollwood Estates. Gill's last rental increase took affect 10 years ago of June 1997 and Knollwoods was over eight years ago on July 1, 2001. The proposal they will be submitting will be limiting it to four operating expenses; real estate taxes, water & sewer fees, trash disposal fees and the average of several years expenses for snow plowing and sanding. The request is that the Board schedule the initial meeting to schedule change of information to follow the Procedural Rules.

So saying, shall we have a vote to accept the request for the initial meeting.

Sharyn Riley: I make a motion.

Ronald Lafond: I second.

Robert Hopkins: Motion carries. Motion passed unanimously.

This starts the clock for you Ms. Stemm. Should I read the rules, counselor?

Kevin Corridan: You should read the rules at the initial meeting.

Robert Hopkins: Okay, this is not the initial meeting, at the initial meeting we will read the rules. We need to schedule the initial meeting, which can be thirty (30) days from tonight. Shall we make it November 16th which we have the room reserved.

Marcia Stemm: I can't be here for November 16th.

Robert Hopkins: Can we do it November 23rd, how do we feel about that?

Kevin Corridan: I can't do that one. I'm not sure that I have to be here for that one.

Robert Hopkins: You don't have to be here for that, we have the minutes.

You need to notify your tenants that we'll be meeting that night. That's the night that you'll have thirty (30) days to give to us and them a proposal. The initial meeting is November 23rd, then the tenants have sixty (60) days to respond after the initial meeting on November 23rd.

Robert Hopkins: Any other new business tonight? Should we consider rule changes, shall we review them...?

Kevin Corridan: I suggest no formal changes made to the rules until everyone's hearing is done.

Robert Hopkins: Shall we put this off until we're done with everything?

Kevin Corridan: Well, no I think you can have a dialog about it now, proposed changes and like Sharyn said "adopt them". You can have an affective dates of these rules.

The one thing that I think needs to be clarified is what action is needed to accept a letter. Normally we go for two years, then we have to have a meeting just to accept the letter. I proposed was just to be able to administratively accept the letter. Send them a letter setting an initial hearing date, they then have to within seven days of receiving that letter, give the tenants notice.

Sharyn Riley: So the clock starts the date that it's stamped into the Law Department

Kevin Corridan: The clock would start when they receive the letter sent Board.

Robert Hopkins: Let's look at Rule 2. Bob reads Rule 2...

Kevin Corridan: We don't have to change anything by the way. I was just throwing this out there to try to make things more...

Robert Hopkins: We could leave it as it is. This means we got to get together to accept the request for the initial meeting. Some people have their stuff all ready to go.

Kevin Corridan: Our whole purpose, I think is to basically protect the tenants.

Robert Hopkins: Correct, that's the whole purpose of the rent control law.

Kevin Corridan: Part of that is the process itself. I think the length of time itself gives them time to get ready.

Sharyn Riley: They still get up to sixty (60) days, their not losing anything.

Kevin Corridan: It's a lot of time.

Sharyn Riley: It is a lot of time. They still get their sixty (60) days, at the Chair's discretion...

Robert Hopkins: Sixty (60) days is fine. We really shouldn't minimize it either.

Kevin Corridan: Here's the thing, you can't minimize it as long as the Rules say what they do. If you want to make it thirty (30) days, fine, amend the Rules to say thirty (30)

days. The problem with the way it's written is at your discretion you can change that sixty (60) days, even though everyone in the room assume they have sixty (60) days, because the Rules say it. Generally, the way it's written he can say, okay, have it ready tomorrow. And that would be, in my mind, grounds for a procedural appeal, because they can argue...at his discretion Judge, doesn't that mean bring my stuff in tomorrow.

Robert Hopkins: Bob reads Rules...

Kevin Corridan: Maybe you should do this, give the tenants thirty (30) days to respond in writing, then that would be a sixty (60) day hearing date with a thirty (30) day requirement.

Kevin Corridan: I did not want to waste a meeting. The last time we went through this we did exactly the same thing the second meeting.

Board: Yes we did.

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Kevin Corridan: We're wasting resources with an extra meeting. My intent was just to say let's eliminate the meeting, accept the letter administratively, the clock still starts to run, it just doesn't require us to have a meeting.

Robert Hopkins: Can we do homework on this and bring it back for action in our November meeting.

Kevin Corridan: The important thing to do is just to do what the Rules say. It's confusing to people, they look at these Rules and say "when do I have to be here".

Sharyn Riley: I would just like to add that the minutes and the Rules are on the website.

Robert Hopkins: Motion to adjourn 7:50 p.m.